



STATE OF NEW JERSEY
Board of Public Utilities
Two Gateway Center
Newark, NJ 07102
www.bpu.state.nj.us

IN THE MATTER OF THE PETITION OF THE)
CITY OF WILDWOOD WATER UTILITY FOR)
AN INCREASE IN RATES FOR WATER SERVICE)

WATER AND WASTEWATER

**ORDER APPROVING
STIPULATION**

BPU DOCKET NO. WR05070613

(SERVICE LIST ATTACHED)

BY THE BOARD:

On July 14, 2005, the City of Wildwood Water Utility (Wildwood or Petitioner) a department of the City of Wildwood, a New Jersey municipal corporation, and subject to the jurisdiction of the Board of Public Utilities (Board) and serving approximately 13,197 water customers, of which 9,375 customers or 71%, are located outside the municipal boundaries of the City of Wildwood, filed a petition for a revision of its rates for water service, amounting to an overall increase of \$1,307,779 or 31.27% in annual revenues.

On August 23, 2004, the Board granted the request from Wildwood to modify the Board's September 5, 2002, Order to seek rate relief at the Board or from the Local Finance Board (LFB).

By resolution approved on September 8, 2004, by the Local Finance Board of the State of New Jersey's Department of Community Affairs granted Wildwood an increase in its rates, on an interim basis subject to refund as ultimately determined by the Board, so as to generate additional annual revenues of approximately \$275,000. The LFB resolution further provided that such interim rates shall only remain in effect until September 8, 2005, and shall expire on that date unless extended beyond that date pursuant to further action taken by an appropriate State Agency in accordance with law.

In order to preserve the status quo pending disposition of this petition, the Parties consisting of the Petitioner, the Division of the Ratepayer Advocate (RPA) and the Board Staff stipulated and agreed that the rates presently in effect for Wildwood, as revised and reflected in the LFB resolution (Attached at Exhibit A) will remain in full force and effect subsequent to September 8, 2005, and will be interim in nature, subject to refund with interest until such time new rates are made effective pursuant to an Order of the Board.

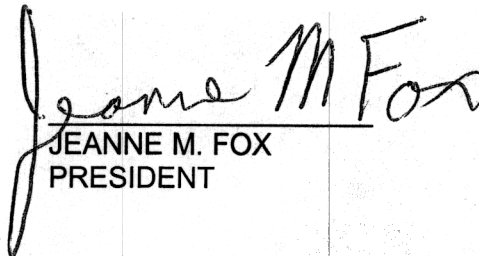
The Board having reviewed the Stipulation FINDS that the Parties have voluntarily agreed to the Stipulation and that the Stipulation fully disposes of all issues in this proceeding and is consistent with the law. The Board FINDS the Stipulation to be reasonable and in the public interest.

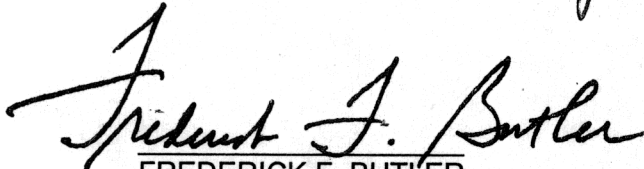
The Board HEREBY ADOPTS the Stipulation of the Parties subject to the following:


- a. The rates presently in effect for Wildwood as revised and reflected in the LFB resolution shall remain in full force and effect subsequent to September 8, 2005.
- b. This interim rate increase of \$275,000 shall be subject to refund with interest pending the final resolution of Wildwood's base rate proceeding as to be determined by this Board.

DATED: 8/19/05

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT

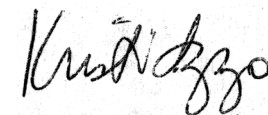

FREDERICK F. BUTLER
COMMISSIONER

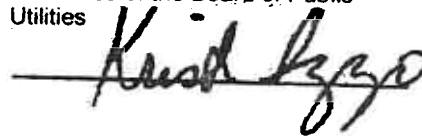

CONNIE O. HUGHES
COMMISSIONER


JACK ALTER
COMMISSIONER

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities

ATTEST:


KRISTI IZZO
SECRETARY



IN THE MATTER OF THE PETITION OF THE
CITY OF WILDWOOD WATER UTILITY
FOR AN INCREASE IN RATES FOR WATER SERVICE

BPU DOCKET NO. WR05070613

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Board of Public Utilities
Two Gateway Center, 8th Floor
Newark, NJ 07102

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

IN THE MATTER OF THE PETITION OF
THE CITY OF WILDWOOD WATER
UTILITY FOR AN INCREASE IN RATES
FOR WATER SERVICE

BPU DOCKET NO. WR05070613

STIPULATION

APPEARANCES

William D. Lavery, Jr., Esq., Cozen O'Connor, on behalf of the City of Wildwood Water Utility, Petitioner;

Peter C. Harvey, Attorney General of New Jersey, by Jeff Slutzky, Esq., Deputy Attorney General, on behalf of the Staff of the Board of Public Utilities;

Seema M. Singh, Esq., Ratepayer Advocate, Debra F. Robinson, Esq., Assistant Deputy Ratepayer Advocate, Division of the Ratepayer Advocate.

On July 14, 2005, the City of Wildwood Water Utility ("Petitioner" or "Wildwood"), a department of the City of Wildwood, a New Jersey municipal corporation, filed a Petition with the Board of Public Utilities ("Board"), pursuant to N.J.S.A. 40A:31-23 and 48:2-21 and N.J.A.C. 14:1-5.2, seeking to increase revenues by \$1,307,779 or 31.27%. The Board approved an initial Suspension Order at its meeting of August 1, 2005.

By resolution duly approved on September 8, 2004 by the Local Finance Board of the State of New Jersey Department of Community Affairs ("LFB"), Wildwood was permitted to increase its rates, on an interim basis, subject to refund as ultimately determined by the Board, so as to generate additional annual revenues of approximately \$275,000. The LFB resolution further provides that such interim rates "shall only remain in effect until September 8, 2005 and shall expire on that date unless extended beyond that date pursuant to further action taken by an appropriate State agency in accordance with law." A copy of the LFB resolution is attached hereto as Exhibit A.

In order to preserve the status quo pending disposition of this Petition, the parties hereto stipulate and agree that the rates presently in effect for Wildwood, as revised and as reflected in the LFB resolution attached hereto as Exhibit A, shall remain in full force and effect, interim in nature subject to refund with interest, if required, as ultimately determined by the Board, subsequent to September 8, 2005 and to that date upon which new rates are made effective pursuant to order of the Board.

Except as expressly set forth herein, the signatories hereto agree that this Stipulation has been made exclusively for the purpose of addressing the issue of the continuance of interim rates presently in effect and that the contents of this Stipulation, in total or by specific items, are in no way binding upon the parties in other proceedings before the Board or in other forums or jurisdictions, nor are the contents of this Stipulation, in total or by specific items, by inference, inclusion or deletion, in any way to be considered or used by another party as any indication of the position of any party hereto on any issue litigated or to be litigated in this or in any other proceeding.

This Stipulation may be executed in as many counterparts as there are signatories of this Stipulation, each of which counterpart shall be an original, but all of which shall constitute one and the same instrument.

CITY OF WILDWOOD WATER UTILITY

DATED: August 18, 2005

By: William D. Lavery, Jr.
William D. Lavery, Jr.
Cozen O'Connor

DIVISION OF THE RATEPAYER
ADVOCATE, SEEMA M. SINGH, ESQ.,
RATEPAYER ADVOCATE

DATED: 8-9-05

By: 

Debra F. Robinson, Asst. Deputy Ratepayer
Advocate

PETER C. HARVEY, ATTORNEY GENERAL OF NEW
JERSEY, ATTORNEY FOR THE STAFF OF THE
BOARD OF PUBLIC UTILITIES

DATED:

By: _____

Jeff Slutzky, Deputy
Attorney General

DIVISION OF THE RATEPAYER
ADVOCATE, SEEMA M. SINGH, ESQ.,
RATEPAYER ADVOCATE

By: _____
Debra F. Robinson, Asst. Deputy Ratepayer
Advocate

PETER C. HARVEY, ATTORNEY GENERAL OF NEW
JERSEY, ATTORNEY FOR THE STAFF OF THE
BOARD OF PUBLIC UTILITIES

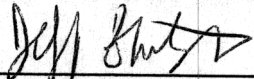
By:  _____
Jeff Slutzky, Deputy
Attorney General



EXHIBIT A

State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS

ES E. MCGREEVEY
Governor

**LOCAL FINANCE BOARD
RESOLUTION**

SUSAN BASS LEVIN
Commissioner

WHEREAS, pursuant to N.J.S.A. 40A:31-23(d), a municipality that owns and operates a municipal water utility which supplies water to more than 1,000 billed customers within another local unit is subject to the jurisdiction, regulation and control of the Board of Public Utilities, in accordance with the provisions of Title 48 of the Revised Statutes, with regard to the rates that may be charged to the customers of the municipal water utility; and

WHEREAS, pursuant to N.J.S.A. 40A:31-23(d) and N.J.S.A. 48:2-1 et seq., the Board of Public Utilities has accordingly been vested with the statutory authority for regulating the rates charged by a municipal water utility that supplies water to more than 1,000 billed customers in local units other than the municipality in which the municipal water utility has been created; and

WHEREAS, the Local Authorities Fiscal Control Law, N.J.S.A. 40A:5A-1 et seq., and more specifically N.J.S.A. 40A:5A-25, authorizes the Local Finance Board to order an increase in the rents, rates or other charges of a municipal public utility when the Board has reason to believe that the municipal public utility is faced with financial difficulty; and

WHEREAS, N.J.S.A. 40A:5A-25 provides that the Local Finance Board's authority to order an increase in the rents, rates or other charges of a municipal public utility in such circumstances may be exercised notwithstanding any provision to the contrary in N.J.S.A. 48:2-1 et seq., which otherwise vests the Board of Public Utilities with jurisdiction over the rates charged by a municipal water utility which provides services to more than 1,000 billed customers beyond the borders of the municipality in which the municipal water utility has been established; and

WHEREAS, the City of Wildwood has established a municipal water utility which provides water service not only to the residents of the City of Wildwood but also to residents of the Township of Lower, the Township of Middle, the Borough of Wildwood Crest and the City of North Wildwood; and

WHEREAS, circumstances have been brought to the attention of the Local Finance Board regarding the present financial condition of the municipal water utility that is operated by the City of Wildwood that indicate that the municipal water utility may be confronted with financial difficulty under N.J.S.A. 40A:5A-25; and

WHEREAS, the Local Finance Board has accordingly conducted a hearing on September 8, 2004 for the purpose of determining whether the municipal water utility that is operated by the City of Wildwood is confronted with financial difficulty and, if so, whether the Local Finance Board should order an increase in the rents, rates or other charges of that municipal water utility pursuant to N.J.S.A. 40A:5A-25; and



Local Finance Board
City of Wildwood
September 8, 2004

WHEREAS, in conducting its hearing on September 8, 2004, the Local Finance Board has examined such estimates, computations and calculations as have been made in connection with the financial condition of the municipal water utility that is operated by the City of Wildwood and has reviewed the budget documents and other papers of the municipal water utility and the City and has considered the testimony of such witnesses and such other information as has been presented to the Local Finance Board and as the Local Finance Board has considered necessary for the purpose of determining whether the municipal water utility operated by the City of Wildwood is confronted with financial difficulty and, if so, whether the Local Finance Board should order an increase in the rates, rents or charges of that municipal water utility pursuant to N.J.S.A. 40A:5A-25; and

WHEREAS, on the basis of its review and consideration of the documents, the testimony and the information that has been presented in this matter, the Local Finance Board has found that, notwithstanding certain measures that have been undertaken by the municipal water utility operated by the City of Wildwood, the revenues of the municipal water utility that will be generated during the 2004 calendar year on the basis of the currently approved water utility rates of the municipal water utility will be insufficient to meet the operating expenses of the municipal water utility during that calendar year; that the municipal water utility will accordingly be faced with a budget shortfall during that year; that, unless the rates charged by the municipal water utility to certain of its customers are increased so as to generate additional revenues of approximately \$275,000, the City of Wildwood will incur such a deficit and thereby be confronted, in accordance with the requirements of the Local Budget Law, N.J.S.A. 40A:1-1 et seq., with the obligation of raising that deficit through the City's municipal tax levy; and that the municipal water utility operated by the City of Wildwood will accordingly be faced with financial difficulty under N.J.S.A. 40A:5A-25; and

WHEREAS, having determined that the municipal water utility operated by the City of Wildwood is confronted with financial difficulty under N.J.S.A. 40A:5A-25, the Local Finance Board has further determined that an increase in the rates charged by the municipal water utility to certain of its customers, as more specifically set forth below, is warranted,

NOW, THEREFORE, BE IT RESOLVED by the Local Finance Board this day of September 8, 2004 that, pursuant to its authority under N.J.S.A. 40A:5A-25, the Local Finance Board has and hereby determines that the municipal water utility operated by the City of Wildwood is confronted with financial difficulty under N.J.S.A. 40A:5A-25 and that an increase in the water rates charged by the municipal water utility of the City of Wildwood to certain of the municipal water utility's customers, as more specifically set forth below, be and is hereby ordered in an amount sufficient to generate the revenues necessary to sustain the municipal water utility's operations on a self liquidating basis for the 2004 calendar year; and

Local Finance Board
City of Wildwood
September 8, 2004

BE IT FURTHER RESOLVED by the Local Finance Board that it accordingly orders and directs that the rates for the water services provided by the municipal water utility of the City of Wildwood to those customers of the municipal water utility who consume in excess of 50,000 gallons per quarter shall be increased from \$1.76 per 1000 gallons of water used to \$2.23 per 1000 gallons of water used; and

BE IT FURTHER RESOLVED by the Local Finance Board that it orders and directs that the rates for the water services provided by the municipal water utility of the City of Wildwood set forth above shall be effective for bills rendered by the municipal water utility for water services rendered after June 1, 2004 but shall only remain in effect until September 8, 2005 and shall expire on that date unless extended beyond that date pursuant to further action taken by an appropriate State agency in accordance with law; and

BE IT FURTHER RESOLVED that the interim rate increase authorized and ordered pursuant to this Resolution is and shall be subject to the following conditions: (1) the City of Wildwood shall file an application with the Board of Public Utilities for the purpose of requesting a permanent increase in the water rates charged by the municipal water utility of the City of Wildwood to the municipal water utility's customers; (2) the City of Wildwood shall provide appropriate notice to the Local Finance Board and to the customers of the municipal water utility of the City of Wildwood of both the submission of the City's application to the Board of Public Utilities and the final action taken by the Board of Public Utilities with regard to that application; (3) the City of Wildwood shall submit a written report to the Local Finance Board no later than March 31, 2005 to advise the Local Finance Board as to the financial condition of the City's municipal water utility and as to the status of the City's application to the Board of Public Utilities; (4) the City of Wildwood shall have representatives of the City appear at the hearing conducted by the Local Finance Board in April 2005 for the purpose of discussing the financial condition of the City's municipal water utility and the status of the City's application to the Board of Public Utilities; and (5) to the extent that, in considering the City's application for a permanent increase in the water rates charged by the municipal water utility of the City of Wildwood to the municipal water utility's customers, the Board of Public Utilities may determine that some or all of the municipal water utility's customers effected by the interim rate increase for which this Resolution provides are entitled to a refund of rates that they have paid pursuant to this Resolution, the City of Wildwood will implement any orders or directions that the Board of Public Utilities may issue in this regard; and

BE IT FURTHER RESOLVED that the Executive Secretary of the Local Finance Board is hereby authorized and directed to certify or endorse such documents or instruments as may be necessary, convenient or desirable in order to carry out the purpose and provisions of law and this Resolution; and

BE IT FURTHER RESOLVED that the Executive Secretary of the Local Finance Board is hereby directed to forward a copy of this Resolution for filing with the Secretary of the Board of Public Utilities; and

Local Finance Board
City of Wildwood
September 8, 2004

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

APPROVED BY THE
LOCAL FINANCE BOARD
DATE: SEPTEMBER 8, 2004



PATRICIA PARKIN MCNAMARA
EXECUTIVE SECRETARY
LOCAL FINANCE BOARD

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